

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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Before Commissioners:

George A. Omas, Chairman;
Ruth Y. Goldway, Vice Chairman;
and Dana B. Covington

Classification and Fees
For Confirm

Docket No. MC2002-1

NOTICE OF INQUIRY NO. 1
CONCERNING PROPOSED DMCS CHANGES

(Issued May 16, 2002)

On April 24, 2002, the Postal Service submitted a request for a recommended decision on classification and fees for Confirm[®], a new service using PLANET Codes to enable mailers to track individual automation compatible letter-size and flat mail pieces. In support of its proposal, the Postal Service filed the testimony of five witnesses. In addition, the Postal Service proposed that the Domestic Mail Classification Schedule (DMCS) be amended to reflect the availability of Confirm[®] service. See Request of the United States Postal Service for a Recommended Decision on Classification and Fees for Confirm, April 24, 2002 at Attachment A.

Witness Keifer sponsors the proposed DMCS amendments. USPS-T-5 at 12. While indicating that Confirm[®] may be described in relatively straightforward terms, he suggests that the nature of the service "does not lend itself to a detailed description of prerequisite classifications or specified Special Services." *Ibid.* In support, he notes that PLANET barcodes may be included on any mail piece notwithstanding the shape-based limitation on the service. Thus, should any non-qualifying piece be processed on letter or flat sorting equipment, scan data would be retrievable by customers. Witness Keifer concludes, however, that this issue is insignificant since not only is the Postal Service unable, as a practical matter, to identify non-qualifying pieces (aside from

shape), but, more importantly, no fee attaches to individual pieces bearing a PLANET Code. *Ibid.*

Further, witness Keifer states that “[t]he Postal Service has identified no operational or other basis for precluding the use of any particular special service together with Confirm[®].” *Id.* at 13. Thus, the draft language broadly provides that “Confirm[®] neither precludes nor requires any other special services.” Attachment A, § 991.41.

Witness Keifer’s observations concerning the “prerequisite classifications” are not unreasonable. Given the service as proposed, the possibility that the occasional non-qualifying piece may be scanned raises no issue that need be addressed in the DMCS. However, the draft language suggested by the Postal Service appears to be unnecessarily vague. See, e.g., proposed § 991.22. In addition, notwithstanding the novelty of the proposed pricing, it would appear, based on the Commission’s preliminary review, that the proposed language can be conformed more closely to the existing DMCS. Accordingly, the Commission sets forth in the Attachment alternative DMCS language designed to serve several objectives. Comments concerning the Attachment are due no later than May 30, 2002.

Much of the substance of what the Postal Service has proposed has been retained. The revisions and reformatting are designed to describe Confirm[®] service more fully and in a fashion more compatible with other services included in the DMCS. In addition, the alternative is intended to better reflect the legal parameters of the service.

As noted above, § 991.41 of the proposed DMCS provides that “Confirm[®] neither precludes nor requires any other special services.” Attachment A, § 991.41.¹ Witness Keifer justifies this language based, in part, on notions of customer choice. (“It seems more prudent to permit customers to choose the options they prefer, incidental to their participation in Confirm[®].”) USPS-T-5 at 13. While the goal is commendable, there

¹ The Commission notes that the current version of the Domestic Mail Manual precludes special services with Business Reply Mail. See Domestic Mail Manual at § S922.1.3.

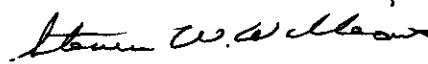
would appear to be several special services that could not be combined with Confirm[®] as proposed. These would include, for example, Merchandise Return, Bulk Parcel Return Service, and Shipper Paid Forwarding, each of which is limited to parcels and thus would appear to be ineligible for Confirm[®] service. In this instance, greater precision would enable mailers to make more informed choices about available combinations of services. Accordingly, the Attachment, at § 991.41, lists those special services that, in the Commission's preliminary view, may be combined with Confirm[®]. In its comments, the Postal Service should address § 991.41 suggesting modifications to the listing as appropriate.²

This Notice of Inquiry No. 1 (NOI No. 1) is being issued at an early stage in this docket to provide participants with ample opportunity to consider it. The Postal Service has expressed optimism that this proceeding might settle. See United States Postal Service Request for Expedition, April 24, 2002, at 2. To that end, the Commission has made its hearing room available for settlement discussions prior to the prehearing conference scheduled for May 20, 2002. PRC Order 1339, April 29, 2002, at 5. While

² In Docket No. R2001-1, the Postal Service proposed and the Commission recommended making return receipts for merchandise a separate classification from return receipts. See PRC Op. R2001-1, para. 3261 and USPS-T-36 at 62-63. Return receipt for merchandise is available for merchandise sent as Priority Mail among other classifications. Given the automation-compatible dimensions for flats (DMM § C820.2.3) it would appear that some merchandise would satisfy the shape-based limitations to qualify for Confirm[®] service. Hence, merchandise return has been included in proposed § 991.41 in the Attachment. The Postal Service may wish to address this issue in its comments.

comments on NOI No. 1 are due thereafter, it is the Commission's expectation that the settlement discussions, if any, duly consider the Attachment.

By the Commission
(S E A L)

A handwritten signature in black ink, appearing to read "Steven W. Williams".

Steven W. Williams
Secretary

**SPECIAL SERVICES
CLASSIFICATION SCHEDULE**

990 MAILPIECE INFORMATION

991 CONFIRM

991.1 Definition

991.11 Confirm service permits a subscriber to identify when and where a qualifying mailpiece undergoes certain barcode scans in mail processing operations. Scan data are available to subscribers electronically in near real time, and shall remain available to subscribers for a minimum of 15 days. There are two types of Confirm: Destination Confirm for outgoing mail; and Origin Confirm for incoming reply mail.

991.12 Mailers may purchase Confirm service by subscribing to one or more of the following service levels: Silver, Gold, or Platinum.

991.121 Silver Subscription. The Silver subscription has a term of three months and includes the use of one identification (ID) code and up to 15 million scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first. Subscribers may license the use of additional scans in blocks of 2 million scans at any time prior to expiration of the subscription.

991.122 Gold Subscription. The Gold subscription has a term of twelve months and includes the use of one ID code and up to 50 million scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first. Subscribers may license the use of additional scans in blocks of 6 million scans at any time prior to expiration of the subscription.

991.123 Platinum Subscription. The Platinum subscription has a term of twelve months and includes the use of three ID codes and unlimited scans. Subscribers may license the use of additional ID codes for a term of three months or until expiration of the subscription, whichever occurs first.

991.2 Availability

- 991.21 Confirm service is available to subscribers for automation compatible letter-size and flat mailpieces entered under the following classification schedules:

Classification Schedule

a.	First-Class Mail, including Priority Mail	210
b.	Standard Mail	310
c.	Periodicals	410

991.3 Mailer Requirements

- 991.31 Mailers must become subscribers to use Confirm. To become a subscriber, a mailer is required to submit a completed Confirm application to the Postal Service, demonstrate a capability to produce and apply barcodes on mailpieces compatible with the requirements of Confirm equipment, demonstrate a capability to produce Advance Shipping Notice barcodes, and comply with the other incidental requirements of Confirm.
- 991.32 Qualifying mail must bear PLANET and POSTNET barcodes as specified by the Postal Service.
- 991.33 Destination Confirm requires the submission of an Advance Shipping Notice (ASN) prior to, or at the time of, the Destination Confirm mailing. In addition, the subscriber is required to print and attach an ASN (Shipment ID) barcode to documentation accompanying the Destination Confirm mailing.

991.4 Other Services

991.41 The following additional services may be combined with Confirm service if the applicable standards for the service are met and the additional service fees are paid:

Service Fee	Schedule
a. Address Correction Service	911
b. Business Reply Mail	931
c. Certified Mail	941
d. Registered Mail	942
e. Insurance	943
f. Collect on Delivery	944
g. Return Receipt (Regular and Merchandise)	945
h. Restricted Delivery	946
i. Certificate of Mailing	947
j. Delivery Confirmation (qualifying Priority Mail only)	948
k. Signature Confirmation (qualifying Priority Mail only)	949

991.5 Fees

991.51 The fees for Confirm service are set forth in Fee Schedule 991.

991.52 A Gold subscription may be upgraded to a Platinum subscription at any time prior to the expiration of the Gold subscription by paying the difference in the subscription fees. Upgrading does not extend the term of the underlying subscription.

FEE SCHEDULE 991**CONFIRM**

Description	Fee
Silver Subscription	
Subscription Fee (3 months)	\$2,000.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00
Additional Scans (block of 2 million)	\$500.00
Gold Subscription	
Subscription Fee (12 months)	\$4,500.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00
Additional Scans (block of 6 million)	\$750.00
Platinum Subscription	
Subscription Fee (12 months)	\$10,000.00
Additional ID Codes (lesser of 3 months or end of subscription term)	\$500.00